



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2017  
OF THE CONDITION AND AFFAIRS OF THE

Maine Community Health Options

NAIC Group Code00000000NAIC Company Code15077Employer's ID Number45-3416923

(Current)(Prior)

Organized under the Laws ofMaine, State of Domicile or Port of EntryME

Country of DomicileUnited States of America

Licensed as business type:Life, Accident & Health

Is HMO Federally Qualified? Yes [ ] No [ X ]

Incorporated/Organized09/26/2011Commenced Business01/01/2014

Statutory Home Office150 Mill Street, Suite 3Lewiston , ME, US 04240

(Street and Number)(City or Town, State, Country and Zip Code)

Main Administrative Office150 Mill Street, Suite 3

(Street and Number)

Lewiston , ME, US 04240

(City or Town, State, Country and Zip Code)

(Area Code) (Telephone Number)

Mail AddressPO Box 1121Lewiston , ME, US 04243-1121

(Street and Number or P.O. Box)(City or Town, State, Country and Zip Code)

Primary Location of Books and Records150 Mill Street, Suite 3

(Street and Number)

Lewiston , ME, US 04240

(City or Town, State, Country and Zip Code)

(Area Code) (Telephone Number)

Internet Website Addresswww.healthoptions.org

Statutory Statement ContactCharissa Michelle Kerr207-330-2390

(Name)(Area Code) (Telephone Number)

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(E-mail Address)(FAX Number)

OFFICERS

Chief Executive OfficerKevin LewisChief Human Resources OfficerJoyce H McPhetres

Chief Operating OfficerRobert J HillmanChief Financial OfficerEdward J Vozzo

OTHER

William Kilbreth, Chief Information OfficerJohn Yindra, MD, Chief Medical Officer

DIRECTORS OR TRUSTEES

Dana Baldwin	Fred Craigie Dr.	Tonua Fedusenko
Sarah Hines	Joel Kallich #	Heidi Lukas #
Rocell Marcellino	Felicity Myers	David Shipman
David Shultz	W. Douglas Smith	Ronnie Weston
Douglas Wilson	Michael Woodard	

State ofMaineSS:

County ofAndroscoggin

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Kevin LewisEdward Vozzo

Chief Executive OfficerChief Financial Officer

Subscribed and sworn to before me this day of

a. Is this an original filing? Yes [ X ] No [ ]

b. If no,

1. State the amendment number.....

2. Date filed .....

3. Number of pages attached.....

Carrie L. Bolduc  
Notary  
08/2020

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Maine Community Health Options

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	36,493,233		36,493,233	45,655,273
2. Stocks (Schedule D):				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....			0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ .....			0	0
encumbrances) .....				
4.2 Properties held for the production of income (less				
\$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ .....				
encumbrances) .....			0	0
5. Cash (\$ .....12,595,820 , Schedule E - Part 1), cash equivalents				
(\$ .....11,658,332 , Schedule E - Part 2) and short-term				
investments (\$ .....2,003,380 , Schedule DA) .....	26,257,532		26,257,532	19,466,958
6. Contract loans, (including \$ ..... premium notes) .....			0	0
7. Derivatives (Schedule DB) .....			0	0
8. Other invested assets (Schedule BA) .....	105,000	105,000	0	0
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....			0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	62,855,765	105,000	62,750,765	65,122,231
13. Title plants less \$ ..... charged off (for Title insurers				
only) .....			0	0
14. Investment income due and accrued .....	130,316		130,316	172,032
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	955,467	212,745	742,722	2,631,390
15.2 Deferred premiums and agents' balances and installments booked but				
deferred and not yet due (including \$ .....				
earned but unbilled premiums) .....			0	0
15.3 Accrued retrospective premiums (\$ .....203,354 ) and				
contracts subject to redetermination (\$ ..... ) .....	203,354	203,354	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	3,908,020		3,908,020	24,487,373
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset .....			0	0
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software .....	430,028		430,028	182,883
21. Furniture and equipment, including health care delivery assets				
(\$ ..... ) .....	1,071,304	1,071,304	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....			0	0
24. Health care (\$ .....3,797,867 ) and other amounts receivable .....	4,521,427	526,888	3,994,539	9,389,222
25. Aggregate write-ins for other than invested assets .....	2,076,078	1,094,745	981,333	0
26. Total assets excluding Separate Accounts, Segregated Accounts and				
Protected Cell Accounts (Lines 12 to 25) .....	76,151,759	3,214,036	72,937,723	101,985,131
27. From Separate Accounts, Segregated Accounts and Protected Cell				
Accounts .....			0	0
28. Total (Lines 26 and 27) .....	76,151,759	3,214,036	72,937,723	101,985,131
DETAILS OF WRITE-INS				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0	0
2501. Prepaid Expenses .....	1,077,609	1,077,609	0	0
2502. Security Deposits .....	17,136	17,136	0	0
2503. State Taxes Receivable .....	981,333		981,333	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	2,076,078	1,094,745	981,333	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$ 345,000 reinsurance ceded)	29,072,039		29,072,039	49,765,001
2. Accrued medical incentive pool and bonus amounts	154,615		154,615	589,370
3. Unpaid claims adjustment expenses	672,190		672,190	1,191,989
4. Aggregate health policy reserves, including the liability of \$ 0 for medical loss ratio rebate per the Public Health Service Act			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	4,336,658		4,336,658	3,177,520
9. General expenses due or accrued	3,993,773		3,993,773	6,407,416
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	2,085,759
12. Amounts withheld or retained for the account of others	660		660	10,355
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)	906,528		906,528	0
15. Amounts due to parent, subsidiaries and affiliates			0	0
16. Derivatives			0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ 0 unauthorized reinsurers and \$ 0 certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified (\$ companies)			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ current)	66,466	0	66,466	140,428
24. Total liabilities (Lines 1 to 23)	39,202,929	0	39,202,929	63,367,838
25. Aggregate write-ins for special surplus funds	XXX	XXX	2,589,844	0
26. Common capital stock	XXX	XXX		
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX		
29. Surplus notes	XXX	XXX	132,316,124	132,316,124
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(101,171,174)	(93,698,831)
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$ )	XXX	XXX		
32.2 shares preferred (value included in Line 27 \$ )	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	33,734,794	38,617,293
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	72,937,723	101,985,131
DETAILS OF WRITE-INS				
2301. Risk Adjustment User Fee Payable	66,466		66,466	140,428
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	66,466	0	66,466	140,428
2501. Estimated ACA Insurer Fee	XXX	XXX	2,589,844	
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	2,589,844	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	498,750	925,926
2. Net premium income ( including \$ ..... non-health premium income) .....	XXX	266,227,778	377,296,166
3. Change in unearned premium reserves and reserve for rate credits .....	XXX	0	187,054
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX	0	
5. Risk revenue .....	XXX	0	
6. Aggregate write-ins for other health care related revenues .....	XXX	0	362,947
7. Aggregate write-ins for other non-health revenues .....	XXX	0	(40,394)
8. Total revenues (Lines 2 to 7) .....	XXX	266,227,778	377,805,773
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		135,148,164	232,852,454
10. Other professional services .....		14,947,750	28,971,093
11. Outside referrals .....		18,041	967,421
12. Emergency room and out-of-area .....		46,411,974	73,222,275
13. Prescription drugs .....		33,958,475	62,971,628
14. Aggregate write-ins for other hospital and medical .....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts .....		(57,026)	508,857
16. Subtotal (Lines 9 to 15) .....	0	230,427,378	399,493,728
<b>Less:</b>			
17. Net reinsurance recoveries .....		2,623,137	23,544,442
18. Total hospital and medical (Lines 16 minus 17) .....	0	227,804,241	375,949,286
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$ .....7,300,115 cost containment expenses .....		12,525,535	16,883,743
21. General administrative expenses .....		30,477,588	42,679,506
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only) .....		0	(43,072,541)
23. Total underwriting deductions (Lines 18 through 22).....	0	270,807,364	392,439,994
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	(4,579,586)	(14,634,221)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		441,694	656,267
26. Net realized capital gains (losses) less capital gains tax of \$ .....		(132,560)	(8,493)
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	309,134	647,774
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ .....2,075,389 )] .....		(2,075,389)	
29. Aggregate write-ins for other income or expenses .....	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX	(6,345,841)	(13,986,447)
31. Federal and foreign income taxes incurred .....	XXX		
32. Net income (loss) (Lines 30 minus 31) .....	XXX	(6,345,841)	(13,986,447)
<b>DETAILS OF WRITE-INS</b>			
0601. User Fee Revenue – Contraceptive Claims .....	XXX	0	362,947
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above) .....	XXX	0	362,947
0701. Loss on Sale of Fixed Asset .....	XXX	0	(40,394)
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above) .....	XXX	0	(40,394)
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above) .....	0	0	0
2901. ....			
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above) .....	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	38,617,293	49,783,794
34. Net income or (loss) from Line 32 .....	(6,345,841)	(13,986,447)
35. Change in valuation basis of aggregate policy and claim reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....		
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....		
39. Change in nonadmitted assets .....	1,503,905	2,819,946
40. Change in unauthorized and certified reinsurance .....	0	0
41. Change in treasury stock .....	0	0
42. Change in surplus notes .....	0	0
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in .....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in .....	0	0
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Transferred from capital .....		
46. Dividends to stockholders .....		
47. Aggregate write-ins for gains or (losses) in surplus .....	(40,563)	0
48. Net change in capital and surplus (Lines 34 to 47) .....	(4,882,499)	(11,166,501)
49. Capital and surplus end of reporting period (Line 33 plus 48)	33,734,794	38,617,293
DETAILS OF WRITE-INS		
4701. Prior years change in accounting for net operating lease .....	(40,563)	
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	(40,563)	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance .....	266,979,481	373,495,328
2. Net investment income .....	592,128	885,001
3. Miscellaneous income .....	0	322,553
4. Total (Lines 1 through 3) .....	267,571,609	374,702,882
5. Benefit and loss related payments .....	228,352,605	370,220,927
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	48,011,954	59,183,092
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	0	0
10. Total (Lines 5 through 9) .....	276,364,559	429,404,019
11. Net cash from operations (Line 4 minus Line 10) .....	(8,792,950)	(54,701,137)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	40,103,694	34,776,454
12.2 Stocks .....	0	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	(330)	0
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	40,103,364	34,776,454
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	31,182,602	39,384,381
13.2 Stocks .....	0	0
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	31,182,602	39,384,381
14. Net increase (decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	8,920,762	(4,607,927)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	906,528	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied) .....	5,756,234	2,370,060
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	6,662,762	2,370,060
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	6,790,574	(56,939,004)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	19,466,958	76,405,962
19.2 End of year (Line 18 plus Line 19.1) .....	26,257,532	19,466,958

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Maine Community Health Options

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income .....	266,227,778	266,227,778								
2. Change in unearned premium reserves and reserve for rate credit .....	0									
3. Fee-for-service (net of \$ ..... medical expenses) .....	0									XXX
4. Risk revenue .....	0									XXX
5. Aggregate write-ins for other health care related revenues .....	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6) .....	266,227,778	266,227,778	0	0	0	0	0	0	0	0
8. Hospital/medical benefits .....	135,148,164	135,148,164								XXX
9. Other professional services .....	14,947,750	14,947,750								XXX
10. Outside referrals .....	18,041	18,041								XXX
11. Emergency room and out-of-area .....	46,411,974	46,411,974								XXX
12. Prescription drugs .....	33,958,475	33,958,475								XXX
13. Aggregate write-ins for other hospital and medical .....	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts .....	(57,026)	(57,026)								XXX
15. Subtotal (Lines 8 to 14) .....	230,427,378	230,427,378	0	0	0	0	0	0	0	XXX
16. Net reinsurance recoveries .....	2,623,137	2,623,137								XXX
17. Total medical and hospital (Lines 15 minus 16) .....	227,804,241	227,804,241	0	0	0	0	0	0	0	XXX
18. Non-health claims (net) .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ .....7,300,115 cost containment expenses .....	12,525,535	12,525,535								
20. General administrative expenses .....	30,477,588	30,477,588								
21. Increase in reserves for accident and health contracts .....	0									XXX
22. Increase in reserves for life contracts .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22) .....	270,807,364	270,807,364	0	0	0	0	0	0	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23) .....	(4,579,586)	(4,579,586)	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS .....										XXX
0501. ....										XXX
0502. ....										XXX
0503. ....										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....	0	0	0	0	0	0	0	0	0	XXX
0601. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301. ....										XXX
1302. ....										XXX
1303. ....										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page .....	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above) .....	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Maine Community Health Options

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical) .....	267,966,119		1,738,341	266,227,778
2. Medicare Supplement .....				0
3. Dental only .....				0
4. Vision only .....				0
5. Federal Employees Health Benefits Plan .....	0			0
6. Title XVIII - Medicare .....	0			0
7. Title XIX - Medicaid .....	0			0
8. Other health .....				0
9. Health subtotal (Lines 1 through 8) .....	267,966,119	0	1,738,341	266,227,778
10. Life .....	0			0
11. Property/casualty .....	0			0
12. Totals (Lines 9 to 11)	267,966,119	0	1,738,341	266,227,778



ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Maine Community Health Options

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct .....	250,552,482	250,552,482								
1.2 Reinsurance assumed .....	.0									
1.3 Reinsurance ceded .....	25,257,490	25,257,490								
1.4 Net .....	225,294,992	225,294,992	.0	.0	.0	.0	.0	.0	.0	.0
2. Paid medical incentive pools and bonuses .....	377,729	377,729								
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct .....	29,417,039	29,417,039	.0	.0	.0	.0	.0	.0	.0	.0
3.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded .....	345,000	345,000	.0	.0	.0	.0	.0	.0	.0	.0
3.4 Net .....	29,072,039	29,072,039	.0	.0	.0	.0	.0	.0	.0	.0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct .....	.0									
4.2 Reinsurance assumed .....	.0									
4.3 Reinsurance ceded .....	.0									
4.4 Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Accrued medical incentive pools and bonuses, current year .....	154,615	154,615								
6. Net healthcare receivables (a) .....	(2,679,884)	(2,679,884)								
7. Amounts recoverable from reinsurers December 31, current year .....	3,908,020	3,908,020								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct .....	52,165,001	52,165,001	.0	.0	.0	.0	.0	.0	.0	.0
8.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.3 Reinsurance ceded .....	2,400,000	2,400,000	.0	.0	.0	.0	.0	.0	.0	.0
8.4 Net .....	49,765,001	49,765,001	.0	.0	.0	.0	.0	.0	.0	.0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct .....	.0									
9.2 Reinsurance assumed .....	.0									
9.3 Reinsurance ceded .....	.0									
9.4 Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
10. Accrued medical incentive pools and bonuses, prior year .....	589,370	589,370								
11. Amounts recoverable from reinsurers December 31, prior year .....	24,487,373	24,487,373								
12. Incurred Benefits:										
12.1 Direct .....	230,484,404	230,484,404	.0	.0	.0	.0	.0	.0	.0	.0
12.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12.3 Reinsurance ceded .....	2,623,137	2,623,137	.0	.0	.0	.0	.0	.0	.0	.0
12.4 Net .....	227,861,267	227,861,267	.0	.0	.0	.0	.0	.0	.0	.0
13. Incurred medical incentive pools and bonuses .....	(57,026)	(57,026)	.0	.0	.0	.0	.0	.0	.0	.0

(a) Excludes \$ ..... loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Maine Community Health Options

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	13,144,432	13,144,432								
1.2 Reinsurance assumed .....	0									
1.3 Reinsurance ceded .....	275,000	275,000								
1.4 Net .....	12,869,432	12,869,432	0	0	0	0	0	0	0	0
2. Incurred but Unreported:										
2.1 Direct .....	16,272,607	16,272,607								
2.2 Reinsurance assumed .....	0									
2.3 Reinsurance ceded .....	70,000	70,000								
2.4 Net .....	16,202,607	16,202,607	0	0	0	0	0	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	0									
3.2 Reinsurance assumed .....	0									
3.3 Reinsurance ceded .....	0									
3.4 Net .....	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1 Direct .....	29,417,039	29,417,039	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded .....	345,000	345,000	0	0	0	0	0	0	0	0
4.4 Net .....	29,072,039	29,072,039	0	0	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Maine Community Health Options

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE**

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical) .....	42,541,219	210,337,765		29,072,039	42,541,219	49,765,001
2. Medicare Supplement .....					0	0
3. Dental Only .....					0	0
4. Vision Only .....					0	0
5. Federal Employees Health Benefits Plan .....					0	0
6. Title XVIII - Medicare .....					0	0
7. Title XIX - Medicaid .....					0	0
8. Other health .....					0	0
9. Health subtotal (Lines 1 to 8) .....	42,541,219	210,337,765	0	29,072,039	42,541,219	49,765,001
10. Healthcare receivables (a) .....		4,324,755			0	0
11. Other non-health .....					0	0
12. Medical incentive pools and bonus amounts .....	377,729			154,615	377,729	589,370
13. Totals (Lines 9 - 10 + 11 + 12)	42,918,948	206,013,010	0	29,226,654	42,918,948	50,354,371

(a) Excludes \$ ..... loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(\$000 Omitted)

Section A - Paid Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior .....	0	0	0	0	
2.	2013 .....					
3.	2014 .....	XXX	98,921	118,834	118,518	118,219
4.	2015 .....	XXX	XXX	250,333	303,446	300,179
5.	2016 .....	XXX	XXX	XXX	329,503	375,988
6.	2017 .....	XXX	XXX	XXX	XXX	206,013

Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior .....	0	0	0	0	
2.	2013 .....					
3.	2014 .....	XXX	126,027	119,121	118,401	118,219
4.	2015 .....	XXX	XXX	306,750	302,942	300,179
5.	2016 .....	XXX	XXX	XXX	380,478	375,988
6.	2017 .....	XXX	XXX	XXX	XXX	235,240

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2013 .....				0.0	0	0.0			0	0.0
2. 2014 .....	167,911	118,219	5,166	4.4	123,385	73.5	0	0	123,385	73.5
3. 2015 .....	341,237	300,179	9,382	3.1	309,561	90.7	0	0	309,561	90.7
4. 2016 .....	382,653	375,988	9,896	2.6	385,884	100.8	0	0	385,884	100.8
5. 2017 .....	267,966	206,013	4,557	2.2	210,570	78.6	29,227	672	240,469	89.7

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(\$000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred						Cumulative Net Amounts Paid				
						1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior .....					0	0	0	0	0
2.	2013 .....					0	0	0	0	0
3.	2014 .....					XXX	98,921	118,834	118,518	118,219
4.	2015 .....					XXX	XXX	250,333	303,446	300,179
5.	2016 .....					XXX	XXX	XXX	329,503	375,988
6.	2017 .....					XXX	XXX	XXX	XXX	206,013

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred						Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
						1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior .....					0	0	0	0	0
2.	2013 .....					0	0	0	0	0
3.	2014 .....					XXX	126,027	119,121	118,401	118,219
4.	2015 .....					XXX	XXX	306,750	302,942	300,179
5.	2016 .....					XXX	XXX	XXX	380,478	375,988
6.	2017 .....					XXX	XXX	XXX	XXX	235,240

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

Years in which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2013 .....	0	0	0	0.0	0	0.0	0	0	0	0.0
2.	2014 .....	167,911	118,219	5,166	4.4	123,385	73.5	0	0	123,385	73.5
3.	2015 .....	341,237	300,179	9,382	3.1	309,561	90.7	0	0	309,561	90.7
4.	2016 .....	382,653	375,988	9,896	2.6	385,884	100.8	0	0	385,884	100.8
5.	2017 .....	267,966	206,013	4,557	2.2	210,570	78.6	29,227	672	240,469	89.7

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....									
2. Additional policy reserves (a) .....									
3. Reserve for future contingent benefits .....									
4. Reserve for rate credits or experience rating refunds (including \$ ..... ) for investment income .....									
5. Aggregate write-ins for other policy reserves .....									
6. Totals (gross) .....									
7. Reinsurance ceded .....									
8. Totals (Net)(Page 3, Line 4) .....									
9. Present value of amounts not yet due on claims .....									
10. Reserve for future contingent benefits .....									
11. Aggregate write-ins for other claim reserves .....									
12. Totals (gross) .....									
13. Reinsurance ceded .....									
14. Totals (Net)(Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501. ....									
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page.....									
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)									
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page .....									
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)									

(a) Includes \$ ..... premium deficiency reserve.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Maine Community Health Options

**UNDERWRITING AND INVESTMENT EXHIBIT**

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$ ..... for occupancy of own building) .....			222,054		222,054
2. Salary, wages and other benefits .....	3,817,225	1,076,045	8,313,157		13,206,427
3. Commissions (less \$ ..... ceded plus \$ ..... assumed) .....			2,372,360		2,372,360
4. Legal fees and expenses .....			305,042		305,042
5. Certifications and accreditation fees .....	348,127				348,127
6. Auditing, actuarial and other consulting services ....	382,815		1,167,035		1,549,850
7. Traveling expenses .....			136,192		136,192
8. Marketing and advertising .....			500,034		500,034
9. Postage, express and telephone .....			1,050,179		1,050,179
10. Printing and office supplies .....	158		628,232		628,390
11. Occupancy, depreciation and amortization .....			372,586		372,586
12. Equipment .....			26,703		26,703
13. Cost or depreciation of EDP equipment and software .....			723,620		723,620
14. Outsourced services including EDP, claims, and other services .....	2,977,126	4,149,375	5,306,740	84,315	12,517,556
15. Boards, bureaus and association fees .....			54,362		54,362
16. Insurance, except on real estate .....			347,260		347,260
17. Collection and bank service charges .....			347,013		347,013
18. Group service and administration fees .....					0
19. Reimbursements by uninsured plans .....					0
20. Reimbursements from fiscal intermediaries .....					0
21. Real estate expenses .....			183,049		183,049
22. Real estate taxes .....					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....					0
23.2 State premium taxes .....			189,085		189,085
23.3 Regulatory authority licenses and fees .....			7,203,714		7,203,714
23.4 Payroll taxes .....			796,019		796,019
23.5 Other (excluding federal income and real estate taxes) .....			233,152		233,152
24. Investment expenses not included elsewhere .....					0
25. Aggregate write-ins for expenses .....	(225,336)	0	0	0	(225,336)
26. Total expenses incurred (Lines 1 to 25) .....	7,300,115	5,225,420	30,477,588	84,315	(a) 43,087,438
27. Less expenses unpaid December 31, current year ..		672,190	3,993,773		4,665,963
28. Add expenses unpaid December 31, prior year .....		1,191,989	6,407,416		7,599,405
29. Amounts receivable relating to uninsured plans, prior year .....					0
30. Amounts receivable relating to uninsured plans, current year .....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	7,300,115	5,745,219	32,891,231	84,315	46,020,880
<b>DETAILS OF WRITE-INS</b>					
2501. Medical Home Incentives .....	(225,336)				(225,336)
2502. ....					
2503. ....					
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	(225,336)	0	0	0	(225,336)

(a) Includes management fees of \$ ..... to affiliates and \$ ..... to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Maine Community Health Options

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds .....	(a) .....	.....
1.1	Bonds exempt from U.S. tax .....	(a) .....	.....
1.2	Other bonds (unaffiliated) .....	(a) .....618,558	.....574,486
1.3	Bonds of affiliates .....	(a) .....	.....
2.1	Preferred stocks (unaffiliated) .....	(b) .....	.....
2.11	Preferred stocks of affiliates .....	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans .....	(c) .....	.....
4.	Real estate .....	(d) .....	.....
5	Contract Loans .....	.....	.....
6	Cash, cash equivalents and short-term investments .....	(e) .....9,772	.....12,563
7	Derivative instruments .....	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income .....	628,330	587,049
11.	Investment expenses .....	.....	(g) .....84,315
12.	Investment taxes, licenses and fees, excluding federal income taxes .....	.....	(g) .....0
13.	Interest expense .....	.....	(h) .....61,040
14.	Depreciation on real estate and other invested assets .....	.....	(i) .....
15.	Aggregate write-ins for deductions from investment income .....	.....	.....0
16.	Total deductions (Lines 11 through 15) .....	.....	.....145,355
17.	Net investment income (Line 10 minus Line 16) .....	.....	441,694
DETAILS OF WRITE-INS			
0901.	.....		
0902.	.....		
0903.	.....		
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	0	0
1501.	.....		
1502.	.....		
1503.	.....		
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) .....	.....	0

- (a) Includes \$ .....3,314 accrual of discount less \$ .....112,032 amortization of premium and less \$ .....180,272 paid for accrued interest on purchases.
- (b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued dividends on purchases.
- (c) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.
- (e) Includes \$ .....2,484 accrual of discount less \$ .....2,604 amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.
- (g) Includes \$. ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.
- (i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	0	0	0	0	0
1.1	Bonds exempt from U.S. tax .....	.....	.....	0	.....	.....
1.2	Other bonds (unaffiliated) .....	(132,230)	0	(132,230)	0	0
1.3	Bonds of affiliates .....	0	0	0	0	0
2.1	Preferred stocks (unaffiliated) .....	0	0	0	0	0
2.11	Preferred stocks of affiliates .....	0	0	0	0	0
2.2	Common stocks (unaffiliated) .....	0	0	0	0	0
2.21	Common stocks of affiliates .....	0	0	0	0	0
3.	Mortgage loans .....	.....	0	0	0	0
4.	Real estate .....	.....	0	0	.....	0
5.	Contract loans .....	.....	.....	0	.....	.....
6.	Cash, cash equivalents and short-term investments .....	(330)	.....	(330)	.....	.....
7.	Derivative instruments .....	.....	.....	0	.....	.....
8.	Other invested assets .....	.....	0	0	0	0
9.	Aggregate write-ins for capital gains (losses) .....	0	0	0	0	0
10.	Total capital gains (losses) .....	(132,560)	0	(132,560)	0	0
DETAILS OF WRITE-INS						
0901.	.....	.....	.....	.....	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	0	0	0	0	0



ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Maine Community Health Options

**EXHIBIT OF NON-ADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			0
2.2 Common stocks .....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale .....			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....			0
6. Contract loans .....			0
7. Derivatives (Schedule DB) .....			0
8. Other invested assets (Schedule BA) .....	105,000	105,000	0
9. Receivables for securities .....			0
10. Securities lending reinvested collateral assets (Schedule DL) .....			0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	105,000	105,000	0
13. Title plants (for Title insurers only) .....			0
14. Investment income due and accrued .....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	212,745		(212,745)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination .....	203,354	205,755	2,401
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			0
16.2 Funds held by or deposited with reinsured companies .....			0
16.3 Other amounts receivable under reinsurance contracts .....			0
17. Amounts receivable relating to uninsured plans .....			0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0
18.2 Net deferred tax asset .....			0
19. Guaranty funds receivable or on deposit .....			0
20. Electronic data processing equipment and software .....		744,320	744,320
21. Furniture and equipment, including health care delivery assets .....	1,071,304	269,724	(801,580)
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0
23. Receivable from parent, subsidiaries and affiliates .....			0
24. Health care and other amounts receivable .....	526,888	2,065,917	1,539,029
25. Aggregate write-ins for other than invested assets .....	1,094,745	1,327,225	232,480
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	3,214,036	4,717,941	1,503,905
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0
28. Total (Lines 26 and 27) .....	3,214,036	4,717,941	1,503,905
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0
2501. Prepaid Expense .....	1,077,609	1,310,089	232,480
2502. Security Deposits .....	17,136	17,136	0
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	1,094,745	1,327,225	232,480

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations .....						
2. Provider Service Organizations .....						
3. Preferred Provider Organizations .....	67,539	44,015	41,066	38,864	37,784	498,750
4. Point of Service .....						
5. Indemnity Only .....						
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total	67,539	44,015	41,066	38,864	37,784	498,750
DETAILS OF WRITE-INS						
0601. ....						
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of Maine Community Health Options (the “Company”) have been prepared in conformity with the National Association of Insurance Commissioners’ (“NAIC”) Annual Statement Instructions and in accordance with accounting practices prescribed by the NAIC Accounting Practices and Procedures Manual (“NAIC SAP”), subject to any deviations prescribed or permitted by the Maine Bureau of Insurance (the “Bureau”).

A reconciliation of the Company’s net income (loss) and capital and surplus between NAIC SAP and practices prescribed and permitted by the Bureau is shown below:

		SSAP #	F/S Page	F/S Line	2017	2016
NET INCOME						
(1)	Company state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	(6,345,841)	(13,986,447)
(2)	State Prescribed Practices that increase/(decrease) NAIC SAP					
(3)	State Permitted Practices that increase/(decrease) NAIC SAP					
(4)	NAIC SAP (1-2-3=4)	XXX	XXX	XXX	(6,345,841)	(13,986,447)
SURPLUS						
(5)	Company state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	33,734,794	38,617,293
(6)	State Prescribed Practices that increase/(decrease) NAIC SAP					
(7)	State Permitted Practices that increase/(decrease) NAIC SAP					
(8)	NAIC SAP (5-6-7=8)	XXX	XXX	XXX	33,734,794	38,617,293

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Health premiums are earned over the term of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written and are computed by pro rata methods for direct business. Premiums paid by subscribers prior to the effective date are recorded on the balance sheet as premiums received in advance and are subsequently credited to income as earned during the coverage period. Premium rates are subject to approval by the Bureau. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

- 1) Short-term investments include investments with maturities of less than one year at the date of acquisition and are reported at amortized cost, which approximates fair value.
- 2) Investment grade bonds not backed by other loans are stated at amortized cost, with amortization calculated based on the scientific interest method, using yield to maturity.
- 3) The Company has no investments in common stocks of unaffiliated companies.
- 4) The Company has no investments in preferred stocks.
- 5) The Company has no mortgage loans on real estate.
- 6) The Company has no investments in loan-backed securities.
- 7) The Company has no investments in subsidiaries, controlled and affiliated entities.
- 8) The Company has no investments in joint ventures, partnerships or limited liability companies.

**NOTES TO FINANCIAL STATEMENTS**

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- 9) The Company has no derivative instruments.
- 10) The Company does not anticipate investment income as a factor in premium deficiency calculations.
- 11) Unpaid claims and claims adjustment expenses included management's best estimate of amounts based on historical claim development patterns and certain individual case estimates. The established liability considered health benefit provisions, business practices, economic conditions and other factors that may materially affect the cost, frequency and severity of claims. Liabilities for unpaid claims and claim adjustment expenses are based on assumptions and estimates. While management believes such estimates are reasonable, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continuously reviewed and changes in estimates are incorporated into current period estimates.
- 12) Furniture, equipment and software are capitalized at cost for items greater than \$2000. Depreciation is recorded using the straight-line method over the various assets' estimated useful lives, which range from 2 to 5 years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized, while maintenance and repairs are charged to expense as incurred.
- 13) Pharmaceutical rebate receivables are recorded when earned based on actual rebate receivables billed and an estimate of receivables based on current utilization of specific pharmaceuticals and provider contract terms.

**D. Going Concern**

Not Applicable.

**2. Accounting Changes and Corrections of Errors**

**A. Accounting Changes**

There were no accounting changes during the years ended December 31, 2017 and 2016.

**B. Corrections of Errors**

During the current year's financial statement preparation, the Company discovered an error in reporting the operating lease. In the prior year, furniture and equipment (Assets Page, Ln 21) and furniture and equipment nonadmitted assets were understated by \$1,158,331. Liabilities (Page 3, Ln 14) was understated by \$1,198,893. This was reflected in the surplus that showed the change in nonadmitted assets (Statement of Revenue and Expenses Page, Ln 39) was overstated by \$1,158,331 and the total capital and surplus (Liabilities, Capital and Surplus, Ln 33) was overstated by \$1,198,893.

**3. Business Combinations and Goodwill**

**A. Statutory Purchase Method**

Not Applicable.

**B. Statutory Merger:**

Not Applicable.

**C. Assumption Reinsurance**

Not Applicable.

**D. Impairment Loss**

Not Applicable.

**4. Discontinued Operations**

The Company had no operations that were discontinued during 2017 and 2016.

**5. Investments**

**A. Mortgage Loans, Including Mezzanine Real Estate Loans**

The Company did not have investments in mortgage loans at December 31, 2017 or 2016.

**NOTES TO FINANCIAL STATEMENTS**

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**B. Debt Restructuring**

The Company did not have invested assets that were restructured debt at December 31, 2017 or 2016.

**C. Reverse Mortgages**

The Company did not have investments in reverse mortgages at December 31, 2017 or 2016.

**D. Loan-Backed Securities**

- (1) Prepayment assumptions for mortgage/loan-backed and structured securities were obtained from broker-dealer survey values or internal estimates.
- (2) The company did not recognize other-than-temporary impairments on its loaned-backed securities during the year ended December 31, 2017.
- (3) The Company did not hold other-than-temporarily impaired loan-backed securities at December 31, 2017 and 2016.
- (4) The Company had no impaired securities for which other-than-temporary impairment had not been recognized in earnings as a realized loss at December 31, 2017 and 2016.
- (5) The Company had no impaired loaned-backed securities at December 31, 2017 and 2016.

**E. Dollar Repurchase Agreements and/or Securities Lending Transactions**

- (1) The Company did not have any repurchase agreements at December 31, 2017 and 2016.
- (2) Not applicable.
- (3) Neither the Company nor its agent has accepted collateral that is permitted by contract or custom to sell or re-pledge as of December 31, 2017 and 2016.
- (4) Not applicable.
- (5) There were no collateral reinvestment at December 31, 2017 and 2016.
- (6) Not applicable.
- (7) Not applicable.

**F. Repurchase Agreements Transactions accounted for as Secured Borrowing**

The Company did not have repurchase agreements at December 31, 2017 or 2016.

**G. Reverse Repurchase Agreements transaction Accounted for as Secured Borrowing**

The Company did not have reverse repurchase agreements at December 31, 2017 or 2016.

**H. Repurchase Agreements Transactions Accounted for as a Sale**

The Company did not have repurchase agreements at December 31, 2017 or 2016.

**I. Reverse Repurchase Agreements Transactions Accounted for a Sale**

The Company did not have reverse repurchase agreements at December 31, 2017 or 2016.

**J. Real Estate**

The Company did not have investments in real estate at December 31, 2017 and 2016.

**K. Low-Income Housing Tax Credits (LIHTC)**

The Company did not invest in properties generating low-income housing tax credits during 2017 or 2016.

NOTES TO FINANCIAL STATEMENTS

L. Restricted Assets

(1) Restricted Assets(Including Pledged)

Restricted Asset Category	1  Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2  Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	3  Increase/ (Decrease) (1 minus 2)	4  Total Current Year Admitted Restricted	5  Total Current Year Admitted Restricted (1 minus 4)	6  Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7  Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown .....			0			0.000	0.000
b. Collateral held under security lending agreements .....			0			0.000	0.000
c. Subject to repurchase agreements .....			0			0.000	0.000
d. Subject to reverse repurchase agreements .....			0			0.000	0.000
e. Subject to dollar repurchase agreements .....			0			0.000	0.000
f. Subject to dollar reverse repurchase agreements .....			0			0.000	0.000
g. Placed under option contracts .....			0			0.000	0.000
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock .....			0			0.000	0.000
i. FHLB capital stock .....			0			0.000	0.000
j. On deposit with states .....	110,408	110,157	251		110,408	0.001	0.001
k. On deposit with other regulatory bodies .....			0			0.000	0.000
l. Pledged collateral to FHLB (including assets backing funding agreements) .....			0			0.000	0.000
m. Pledged as collateral not captured in other categories .....			0			0.000	0.000
n. Other restricted assets .....			0			0.000	0.000
o. Total Restricted Assets .....	110,408	110,157	251		110,408	0.001	0.001

(a) Column 1 divided by Asset Page, Column 1, Line 28

(b) Column 5 divided by Asset Page, Column 3, Line 28

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate) – Not applicable.

(3) Details of Other Restricted Assets (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate) – Not applicable.

**NOTES TO FINANCIAL STATEMENTS**

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- (4) Collateral Received and Reflected as Assets within the Reporting Entity's Financial Statements – Not applicable.

**M. Working Capital Finance Investments**

The Company did not have any working capital finance investments at December 31, 2017 and 2016.

**N. Offsetting and Netting of Assets and Liabilities**

The company did not have any offsetting and netting of financial assets or liabilities at December 31, 2017 and 2016.

**O. Structured Notes**

The company did not have any structured notes at December 31, 2017 and 2016.

**P. 5\* Securities**

The company did not have any 5\* securities at December 31, 2017 and 2016.

**Q. Short Sales**

The company did not have any short sales at December 31, 2017 and 2016.

**R. Prepayment Penalty and Acceleration Fees**

The company did not have any prepayment penalty or acceleration fees at December 31, 2017 and 2016.

**6. Joint Ventures, Partnerships and Limited Liability Companies**

- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets at December 31, 2017 or 2016.
- B. The Company did not recognize any impairment write down on investments in Joint Ventures, Partnerships and Limited Liability Companies during 2017 or 2016.

**7. Investment Income**

- A. All investment income due and accrued with amounts that are over 90 days past due is non-admitted.
- B. At December 31, 2017 and 2016 there was no non-admitted accrued investment income.

**8. Derivative Instruments**

The Company had no derivative instruments at December 31, 2017 or 2016.

**9. Income Taxes**

The Company is exempt from Federal income taxes under Section 501(c)(29) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Company's federal income tax return is not consolidated with any other entity.

NOTES TO FINANCIAL STATEMENTS

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- A. Nature of the Relationship: Not Applicable.
- B. Significant Transactions for Each Period: Not Applicable.
- C. Intercompany Management and Service Arrangements: Not Applicable.
- D. Amounts Due from or to Related Parties: Not Applicable.
- E. Guarantees or Contingencies for Related Parties: Not Applicable.
- F. Management and Service Agreements and Cost Sharing Arrangements: Not Applicable.
- G. Nature of Control Relationships that Could Affect Operations or Financial Position: Not Applicable.
- H. Amount Deducted for Investment to Upstream Company: Not Applicable.
- I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets: Not Applicable.
- J. Write-down for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies: Not Applicable.
- K. Investment in a Foreign Insurance Subsidiary: Not Applicable.
- L. Investments in Downstream Non-Insurance Holding Companies: Not Applicable.
- M. All SCA investments: Not Applicable.
- N. Investment in Insurance SCAs: Not Applicable.

11. Debt

A. Debt, including Capital Notes –

At December 31, 2017 and 2016 the Company had outstanding a note payable, with a face value and a carry value of \$388,378 and \$448,381 to Mill 2 Storehouse, LLC, for expenses related to leasehold improvements. The note payable was issued May 1, 2014 (the commencement date) and is payable in monthly principal and interest payments of \$7,106 until April 2023. The note is contingent upon the Company remaining in the leased space. If the Company does not renew the lease after the initial five year term, the note will become due 60 days after cancellation. The note carries interest at 6%. During 2017 and 2016, the Company paid interest of \$25,271 and \$28,756 on this note. This note is off-set against leasehold improvements in line 21 of the Asset Schedule.

At December 31, 2017 and 2016 the Company had outstanding a note payable, with a face value and a carry value of \$292,401 and \$337,576 to Mill 2 Storehouse, LLC, for expenses related to leasehold improvements. The note payable was issued October 1, 2014 (the commencement date) and is payable in monthly principal and interest payments of \$5,350 until April 2023. The note is contingent upon the Company remaining in the leased space. If the Company does not renew the lease after the initial five (5) year term, the note will become due 60 days after cancellation. The note carries interest at 6%. During 2017 and 2016, the Company paid interest of \$19,026 and \$21,650 on this note.

Debt maturities subsequent to December 31, 2017 consist of:

2018	\$ 111,664
2019	\$ 118,551
2020	\$ 125,864
2021	\$ 133,627
2022 or after	<u>\$ 191,075</u>
Total	\$ 680,780

The Company does not have any reverse repurchase agreements at December 31, 2017 or 2016.

B. FHLB (Federal Home Loan Bank) Agreements

The Company had no FHLB Agreements outstanding at December 31, 2017 or 2016.



NOTES TO FINANCIAL STATEMENTS

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**12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

**A. Defined Benefit Plan**

Not Applicable.

**B. Defined Benefit Plan Investment Policies and Strategies**

Not Applicable.

**C. Defined Benefit Plan Fair Value of Assets**

Not Applicable.

**D. Defined Benefit Plan Basis Used to Determine the Overall Expected Rate of Return on Assets Assumption**

Not Applicable.

**E. Defined Contribution Plan:**

The Company maintains a Section 401(k) Retirement Plan for its employees. For the year ended December 31, 2017 and 2016, elective employee deferrals were matched by the Company in an amount equal to 100% of such deferrals up to a maximum match of 3% of compensation plus 50% of such elective deferrals equal to more than 3% but not exceeding 5% of compensation. The Company's contribution to the plan was \$296,299 and \$52,988 at December 31, 2017 and 2016. Effective March 6, 2016 the company suspended the matching contributions, on January 1, 2017 matching contributions resumed.

The Company owns a Section 457 (b) Plan for its employees. This Plan limits participation to a select group of management or highly compensated employees (or "top hat" group) and is exempt from most ERISA requirements. The value of these funds is \$105,000 at December 31, 2017 and 2016. These funds have not been appropriated to any specific employee as of December 31, 2017.

**F. Multiemployer Plans**

Not Applicable.

**G. Consolidating/Holding Company Plans**

Not Applicable.

**H. Postemployment Benefits and Compensated Absences**

Liabilities for earned not yet taken vacation benefits have been accrued as of December 31, 2017 and 2016.

**I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)**

Not Applicable.

**13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**

- 1) Outstanding Shares: Not Applicable.
- 2) Preferred Stock: Not Applicable.
- 3) Dividend Restrictions: Not Applicable.

NOTES TO FINANCIAL STATEMENTS

- 4) Dividends Paid: Not Applicable.
- 5) Maximum Ordinary Dividend during 2017: Not Applicable.
- 6) Unassigned Surplus Restrictions  
There were no restrictions placed on the Company’s surplus, including for whom the surplus is being held.
- 7) Mutual Surplus Advances: Not Applicable.
- 8) Company Stock Held for Special Purpose: Not Applicable.
- 9) The changes in the balances of surplus funds from prior year are due to the accrual of estimated ACA health insurer fess.
- 10) Changes in Unassigned Funds: Not Applicable.
- 11) The Company issued the following surplus debentures or similar obligations

1	2	3	4	5	6	7	8
Date Issued	Interest Rate	Par Value (Face Amount of Notes)	Carrying Value of Note*	Interest And/Or Principal Paid Current Year	Total Interest And/Or Principal Paid	Unapproved Interest And/Or Principal	Date of Maturity
02/22/2013	0.370	119,810,000	119,810,000	0	0	1,171,748	2/24/2028
03/29/2012	0.000	12,506,124	12,506,124	0	0	0	3/29/2017
Total		132,316,124	132,316,124	0	0	1,171,748	

At December 31, 2017 and 2016, the surplus note had a carrying value of \$132,316,124 and \$132,316,124. Under the terms of the surplus note, each individual draw is repayable fifteen (15) years from the date of the draw. Accrued interest payments are due annually beginning in 2019 for draws made prior to 2018. Interest rates for the surplus notes of \$119,810,000 and \$12,506,124 are accrued at 0.37% and 0.00% respectively.

The surplus note has the following repayment conditions and restrictions: Each payment of interest on and principal of the surplus note may be made only with the prior approval of the Commissioner of Insurance of the State of Maine and only to the extent the Company has sufficient surplus earning to make such payment. During 2017 and 2016, the Company made no interest or principal payments and, because interest payments have not been approved by the Commissioner of Insurance, accrued interest on the Surplus Note is excluded from these financial statements.

The Surplus Note has the following subordination terms: Because the intent of the Note is to provide financing that meets the definition of “risk based capital” for State Insurance Laws purposes, the Note will have a claim on cash flow and reserves of the Company that is subordinate to (a) claims payments, (b) basic operating expenses, and (c) maintenance of required reserve funds while the Company is operating as a CO-OP under State Insurance Laws.

- 12) Restatement Due to Prior Quasi-Reorganizations – no change.
- 13) Quasi-Reorganizations over Prior 10 Years – no change.

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

The Company has no contingent commitments at December 31, 2017 and 2016.

B. Assessments

The Company has identified no assessments that could have a material financial effect on these statements at December 31, 2017 and 2016.

NOTES TO FINANCIAL STATEMENTS

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**C. Gain Contingencies**

The Company has no gain contingencies at December 31, 2017 and 2016.

**D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits**

Not Applicable.

**E. Joint and Several Liabilities**

Not Applicable.

**F. All Other Contingencies**

Not Applicable.

**15. Leases**

**A. Lessee Operating Leases**

- 1) The Company leases office space under various non-cancelable operating leases. Related lease expense for 2017 and 2016 was \$222,054 and \$237,814.
- 2) Certain rental commitments have renewal options extending until April 30, 2018 and include incremental increases in the per-foot cost each year. Certain rental commitments include favorable purchase options at the end of the lease term.

- 3)  
At January 1, 2017, the aggregate rental commitments are as follows:

2018	\$	86,333
2019	\$	<u>0</u>
Total	\$	86,333

- 4) The Company is not involved in any sales-leaseback transactions.

**B. Lessor Leases**

- 1) The Company has not entered into any operating leases.
- 2) The Company has not entered into any leveraged leases.

**16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk**

The Company had no financial instruments with off-balance sheet risk at December 31, 2017 and 2016.

**17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

**A. Transfers of Receivables Reported as Sales**

Not applicable at December 31, 2017 and 2016.

**B. Transfer and Servicing of Financial Assets**

- (1) Not applicable at December 31, 2017 and 2016.

NOTES TO FINANCIAL STATEMENTS

(2) - (7) Not Applicable.

C. Wash Sales

- (1) The Company did not have any wash sales for the years ending December 31, 2017 and 2016.
- (2) Not applicable.

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

- A. Administrative Services Only Plans: Not Applicable.
- B. Administrative Services Contract Plans: Not Applicable.
- C. Medicare or Similarly Structured Cost-Based Reimbursement Contract: Not Applicable.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Name and Address of Managing General Agent or Third Party Administrator	FEIN NUMBER	Exclusive Contract	Types of Business Written	Type of Authority Granted	Total Direct Premiums Written/Produced By
Dubraski & Associates Insurance Services, LLC 11622 El Camino Real, Suite 100 San Diego, CA 92130	20-1994280	YES	Reinsurance Recoveries	R	1,738,341
Total					1,738,341

- C - Claims Payment
- CA -Claims Adjustment
- R - Reinsurance Ceding
- B - Binding Authority
- P - Premium Collection
- U - Underwriting

20. Fair Value Measurements

A. Fair Value Measurements

The company had no material assets or liabilities measured and reported at fair value at September 30, 2017.

B. Fair Value Measurements Under Other Accounting Pronouncements

The company had no material assets or liabilities measured and reported at fair value at September 30, 2017.

C. Financial Instruments

Certain of the Company’s financial instruments are measured at fair value. The fair values of these instruments are based on valuations that include inputs that can be classified within one of three levels of a hierarchy established by GAAP. The following are the levels of the hierarchy and a brief description of the type of valuation information (inputs) that qualifies a financial asset or liability for each level:

- **Level 1** – Unadjusted quoted prices for identical assets or liabilities in active markets.

NOTES TO FINANCIAL STATEMENTS

- **Level 2** – Inputs other than Level 1 that are based on observable market data. These include: quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets, inputs that are observable that are not prices (such as interest rates and credit risks) and inputs that are derived from or corroborated by observable markets.
- **Level 3** – Developed from unobservable data, reflecting the Organization’s own assumptions.

Financial assets and liabilities are classified based upon the lowest level of input that is significant to the valuation. When quoted prices in active markets for identical assets and liabilities are available, we use these quoted market prices to determine the fair value of financial assets and liabilities and classify these assets and liabilities as Level 1. In other cases where a quoted market price for identical assets and liabilities in an active market is either not available or not observable, we estimate fair value using valuation methodologies based on available and observable market information or by using a matrix pricing model. These financial assets and liabilities would then be classified as Level 2. If quoted market prices are not available, we determine fair value using broker quotes or an internal analysis of each investment’s financial performance and cash flow projections. Thus, financial assets and liabilities may be classified in Level 3 even though there may be some significant inputs that may be observable.

The carrying values and estimated fair values of the Organization’s financial instruments at September 30, 2017 were as follows:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	36,256,614	36,493,233		36,493,233		
Short-term Investments	13,660,852	13,661,712	13,661,712			

D. Not Practicable to Estimate Fair Value

There are no financial instruments that were not practicable to estimate fair value at December 31, 2017 and 2016.

21. Other Items

- A. **Unusual or Infrequent Items:** Not Applicable.
- B. **Troubled Debt Restructuring: Debtors:** Not Applicable.
- C. **Other Disclosures:**  
Bonds with an amortized cost of \$110,408 and \$110,157 were on deposit with a regulatory authority at December 31, 2017 and 2016.
- D. **Business Interruption Insurance Recoveries:** Not Applicable.
- E. **State Transferable and Non-transferable Tax Credits:** Not Applicable.
- F. **Subprime Mortgage-Related Risk Exposure:** Not Applicable.
- G. **Retained Assets:** Not Applicable.
- H. **Insurance-Linked Securities (ILS) Contracts:** Not Applicable.

22. Events Subsequent

On January 1, 2018, the Company will be subject to an annual fee under Section 9010 of the federal Affordable Care Act (ACA) This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity’s net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity’s portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of

NOTES TO FINANCIAL STATEMENTS

December 31, 2017, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2018, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2018 to be \$2,589,844. This amount is reflected in special surplus. This assessment is expected to impact risk based capital (RBC) by 23.6%. Reporting the ACA assessment as of December 31, 2017, would not have triggered an RBC action level.

A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the federal Affordable Care Act (YES/NO)? Yes

	Current Year	Prior Year
B. ACA fee assessment payable for the upcoming year	\$ 2,589,844	\$ 0
C. ACA fee assessment paid	\$ 0	\$ 2,713,533
D. Premium written subject to ACA 9010 assessment	\$ 267,966,119	\$ 382,653,075
E. Total Adjusted Capital before surplus adjustment	\$ 33,734,794	
F. Total Adjusted Capital after surplus adjustment	\$ 31,144,950	
G. Authorized Control Level	\$ 10,979,711	
H. Would reporting the ACA assessment as of December 31, 2017, have triggered an RBC action level (YES/NO)? No		

Subsequent events have been considered through March 28, 2018 for the statutory statements issued on March 30, 2018.

Management became aware of the potential of material payments in excess of contractual terms to several providers in 2017. Analysis is underway to determine the quantifiable impact of the potential over reimbursements and to subsequently initiate recoveries as indicated.

23. Reinsurance

A. Ceded Reinsurance Report.

Section 1 – General Interrogatories

- 1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly by the Company or by any representative, officer, trustee or director of the Company?  
Yes ( ) No ( X )
- 2) Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, beneficiary, a creditor or any other person not primarily engaged in the insurance business?  
Yes ( ) No ( X )

Section 2 – Ceded Reinsurance Report – Part A

- 1) Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?  
Yes ( ) No ( X )
- 2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsurance policies?  
Yes ( ) No ( X )

Section 3 – Ceded Reinsurance Report – Part B

NOTES TO FINANCIAL STATEMENTS

- 1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.  
Not applicable

- 2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?  
Yes ( )                      No ( X )

B. Uncollectible Reinsurance

The Company has no uncollectible reinsurance as of December 31, 2017 and 2016.

C. Commutation of Ceded Reinsurance

The Company has not commuted ceded reinsurance during the years ended December 31, 2017 and 2016.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not applicable at December 31, 2017 and 2016.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

- A. Not applicable at December 31, 2017 and 2016.
- B. Not applicable at December 31, 2017 and 2016.
- C. Not applicable at December 31, 2017 and 2016.
- D. Medical Loss Ratios rebates required pursuant to the Public Health Service Act.

	1	2	3	4	5
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	0	0	0	0	0
(2) Medical loss rebates paid	0	0	0	0	0
(3) Medical loss rebates unpaid	0	0	0	0	0
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	
Current Reporting Year-to-Date					
(1) Medical loss ratio rebates incurred	0	0	0	0	0
(2) Medical loss rebates paid	0	0	0	0	0
(3) Medical loss rebates unpaid	0	0	0	0	0
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	

NOTES TO FINANCIAL STATEMENTS

E. Risk Sharing Provisions of the Affordable Care Act

(1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions (YES/NO)? Yes

(2) Impact of Risk Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

	AMOUNT
a. Permanent ACA Risk Adjustment Program	
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment	0
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	64,838
3. Premium adjustments payable due to ACA Risk Adjustment	0
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	9,117,576
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	64,838
b. Transitional ACA Reinsurance Program	
Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	3,554,638
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	0
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	0
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium .	0
5. Ceded reinsurance premiums payable due to ACA Reinsurance	0
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	0
Operations (Revenue & Expense)	
7. Ceded reinsurance premiums due to ACA Reinsurance	0
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	1,953,522
9. ACA Reinsurance contributions – not reported as ceded premium	0
c. Temporary ACA Risk Corridors Program	
Assets	
1. Accrued retrospective premium due to ACA Risk Corridors	0
Liabilities	
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	0
Operations (Revenue & Expense)	
3. Effect of ACA Risk Corridors on net premium income (paid/received)	0
4. Effect of ACA Risk Corridors on change in reserves for rate credits	0



NOTES TO FINANCIAL STATEMENTS

(3) Roll forward of prior year ACA risk sharing provisions for the following asset (gross of any non-admission) and liability balances along with the reasons for adjustments to prior year balance.

	Accrued During the Prior Year on Business Written Before Dec 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before Dec 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date		
	1	2	3	4	Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)
					5	6	7	8		9	10
					Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable .....	0	0	13,538,245	0	(13,538,245)	0	13,538,245		A	0	0
2. Premium adjustments (payable) .....	0	0	0	4,420,669	0	(4,420,669)	0	4,420,669	B	0	0
3. Subtotal ACA Permanent Risk Adjustment Program .....	0	0	13,538,245	4,420,669	(13,538,245)	(4,420,669)	13,538,245	4,420,669		0	0
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid .....	22,470,572	0	20,869,459	0	1,601,113	0	1,953,525	0	C	3,554,638	0
2. Amounts recoverable for claims unpaid (contra liability) .....	1,600,000	0	1,600,000	0	0	0	0	0	D	0	0
3. Amounts receivable relating to uninsured plans .....	0	0	0	0	0	0	0	0	E	0	0
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium .....	0	0	0	0	0	0	0	0	F	0	0
5. Ceded reinsurance premiums payable .....	0	0	0	0	0	0	0	0	G	0	0
6. Liability for amounts held under uninsured plans ..	0	0	0	0	0	0	0	0	H	0	0
7. Subtotal ACA Transitional Reinsurance Program ....	24,070,572	0	22,469,459	0	1,601,113	0	1,953,525	0		3,554,638	0
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium .....	205,755	0	2,401	0	203,354	0	0	0	I	203,354	0
2. Reserve for rate credits or policy experience rating refunds .....	0	0	0	0	0	0	0	0	J	0	0
3. Subtotal ACA Risk Corridors Program .....	205,755	0	2,401	0	203,354	0	0	0		203,354	0
d. Total for ACA Risk Sharing Provisions	24,276,327	0	36,010,105	4,420,669	(11,733,778)	(4,420,669)	15,491,770	4,420,669		3,757,992	0

Explanation of Adjustments

- A Adjustment were made to reflect the ending balance as reported in the CMS "Summary Report on Transitional Reinsurance Payments and Permanent Risk Adjustment Transfers for the 2016 Benefit Year"
- B Adjustment were made to reflect the ending balance as reported in the CMS "Summary Report on Transitional Reinsurance Payments and Permanent Risk Adjustment Transfers for the 2016 Benefit Year"
- C Adjustment were made to reflect the ending balance as reported in the CMS "Summary Report on 52.96% Transitional Reinsurance Payments for the 2016 Benefit Year"
- D Not Applicable
- E Not Applicable
- F Not Applicable
- G Not Applicable
- H Not Applicable
- I Not Applicable
- J Not Applicable

NOTES TO FINANCIAL STATEMENTS

(4) Roll forward of Risk Corridors Asset and Liability Balances by Program Benefit Year.

Risk Corridors Program Year	Accrued During the Prior Year on Business Written Before Dec 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before Dec 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date		
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)	
	1	2	3	4	5	6	7	8	9	10	
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. 2014											
1. Accrued retrospective premium .....	205,755		2,401		203,354	0	0	0	A	203,354	0
2. Reserve for rate credits or policy experience rating refunds .....					0	0			B	0	0
b. 2015											
1. Accrued retrospective premium .....					0	0			C	0	0
2. Reserve for rate credits or policy experience rating refunds .....					0	0			D	0	0
c. 2016											
1. Accrued retrospective premium .....					0	0			E	0	0
2. Reserve for rate credits or policy experience rating refunds .....					0	0			F	0	0
d. Total for Risk Corridors	205,755		2,401		203,354	0				203,354	0

Explanation of Adjustments

- A Not Applicable
- B Not Applicable
- C Not Applicable
- D Not Applicable
- E Not Applicable
- F Not Applicable

24(4)d (Columns 1 through 10) should equal 24E(3)c3 (Column 1 through 10 respectively)

(5) ACA Risk Corridors Receivable as of Reporting Date

Risk Corridors Program Year	1 Estimated Amount to be Filed or Final Amount Filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts received from CMS	4 Asset Balance (Gross of Non-admissions) (1-2-3)	5 Non-admitted	6 Net Admitted Asset (4-5)
a. 2014	241,717	0	38,363	203,354	203,354	0
b. 2015	22,739,205	22,739,205	0	0	0	0
c. 2016	31,397,819	31,397,819	0	0	0	0
e. Total (a+b+c)	54,378,741	54,137,024	38,363	203,354	203,354	0

24E(5)d (Columns 4) should equal 24E(3)c1 (Column 9)  
24E(5)d (Columns 6) should equal 24E(2)c1

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2017 were \$30,460,232, As of December 31, 2017, \$44,110,945 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$0 as a result of re-estimation of unpaid claims and claim adjustments expenses principally on the comprehensive line of business. Therefore there has been a \$13,650,713 favorable prior year development since December 31, 2016 to December 31, 2017. The decrease is generally the result of ongoing analysis of recent loss

NOTES TO FINANCIAL STATEMENTS

development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

Not applicable at December 31, 2017 and 2016.

27. Structured Settlements

Not applicable at December 31, 2017 and 2016.

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2017	\$ 2,440,285	\$ 2,369,624			
09/30/2017	\$ 2,946,918	\$ 1,880,991			
06/30/2017	\$ 1,788,835	\$ 1,864,263		\$ 1,942,946	
03/31/2017	\$ 1,750,897	\$ 1,884,874		\$ 1,988,999	\$ 43,509
12/31/2016	\$ 2,239,799	\$ 2,721,963		\$ 2,874,845	\$ 273,806
09/30/2016	\$ 3,556,414	\$ 2,716,762	\$ 500,000	\$ 1,799,564	\$ 846,503
06/30/2016	\$ 3,075,329	\$ 2,674,443	\$ 1,567,128	\$ 1,824,706	\$ 5,159
03/31/2016	\$ 3,017,133	\$ 3,053,478	\$ 918,609	\$ 2,160,847	\$ (4,563)
12/31/2015	\$ 3,431,160	\$ 2,853,746	\$ 1,347,755	\$ 1,458,453	\$ (12,716)
09/30/2015	\$ 4,451,388	\$ 2,544,122	\$ 2,186,804	\$ 274,010	\$ (20,000)
06/30/2015	\$ 1,394,514	\$ 2,185,589	\$ 22,212	\$ 2,183,982	\$ 22,829
03/31/2015		\$ 1,225,933	\$ 416,377	\$ 769,991	\$ 100,463

B. Risk Sharing Receivables

Not applicable at December 31, 2017 and 2016.

29. Participating Policies

Not Applicable at December 31, 2017 and 2016.

30. Premium Deficiency Reserves

The company did not record a premium deficiency reserves at December 31, 2017 and 2016.

1. Liability carried for premium deficiency reserves

\$ 0
2. Date of the most recent evaluation of this liability

12/31/2017
3. Was anticipated investment income utilized in the calculation?

Yes No X

NOTES TO FINANCIAL STATEMENTS

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**31. Anticipated Salvage and Subrogation**

The Company took into account estimated anticipated subrogation recoveries in its determination of the liability for unpaid claims and reduced such liability by \$62,483 and \$292,461 for the year ended December 31, 2017 and 2016.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? .....  
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes [ ] No [ X ]

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? .....

Yes [ ] No [ ] N/A [ X ]

1.3

State Regulating? .....

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? .....

Yes [ ] No [ X ]

2.2

If yes, date of change: .....

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made. ....

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....

3.4

By what department or departments? .....

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? .....

Yes [ ] No [ ] N/A [ X ]

3.6

Have all of the recommendations within the latest financial examination report been complied with? .....

Yes [ ] No [ ] N/A [ X ]

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business? .....  
4.12 renewals? .....

Yes [ ] No [ X ]  
Yes [ ] No [ X ]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business? .....  
4.22 renewals? .....

Yes [ ] No [ X ]  
Yes [ ] No [ X ]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? .....

Yes [ ] No [ X ]

5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile
.....	.....	.....

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? .....

Yes [ ] No [ X ]

6.2

If yes, give full information: .....

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? .....

Yes [ ] No [ X ]

7.2

If yes,  
7.21 State the percentage of foreign control; ..... %  
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1	2
Nationality	Type of Entity
.....	.....

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [ ] No [ X ]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [ ] No [ X ]
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

KPMG  
One Financial Plaza  
755 Main Street  
Hartford, CT 06103
- 10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [ ] No [ X ]
- 10.2

If the response to 10.1 is yes, provide information related to this exemption:
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes [ ] No [ X ]
- 10.4

If the response to 10.3 is yes, provide information related to this exemption:
- 10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [ X ] No [ ] N/A [ ]
- 10.6

If the response to 10.5 is no or n/a, please explain
11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Kathie Ely FSA, MAAA,  
Milliman  
80 Lamberton Road  
Windsor, CT 06095  
Actuary/Consultant
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [ ] No [ X ]
- 12.11

Name of real estate holding company
- 12.12

Number of parcels involved
- 12.13

Total book/adjusted carrying value

\$
- 12.2

If, yes provide explanation:
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [ ] No [ X ]
- 13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [ ] No [ X ]
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [ ] No [ ] N/A [ X ]
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [ X ] No [ ]
- (a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c)

Compliance with applicable governmental laws, rules and regulations;
- (d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e)

Accountability for adherence to the code.
- 14.11

If the response to 14.1 is No, please explain:
- 14.2

Has the code of ethics for senior managers been amended?

Yes [ ] No [ X ]
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [ ] No [ X ]
- 14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes ☐ No ☒
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2  Issuing or Confirming Bank Name	3  Circumstances That Can Trigger the Letter of Credit	4  Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes ☒ No ☐
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes ☒ No ☐
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Yes ☒ No ☐

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes ☐ No ☒
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers\$0

20.12 To stockholders not officers\$0

20.13 Trustees, supreme or grand (Fraternal Only)\$0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers\$0

20.22 To stockholders not officers\$0

20.23 Trustees, supreme or grand (Fraternal Only)\$0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes ☐ No ☒
- 21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others\$

21.22 Borrowed from others\$

21.23 Leased from others\$

21.24 Other\$
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes ☐ No ☒
- 22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment\$

22.22 Amount paid as expenses\$

22.23 Other amounts paid\$
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes ☐ No ☒
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes ☒ No ☐
- 24.02 If no, give full and complete information relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes ☐ No ☐ N/A ☒
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes ☐ No ☐ N/A ☒
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes ☐ No ☐ N/A ☒
- 24.09 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes ☐ No ☐ N/A ☒

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Maine Community Health Options

GENERAL INTERROGATORIES

24.10 For the reporting entity’s security lending program state the amount of the following as December 31 of the current year:

24.101	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.103	Total payable for securities lending reported on the liability page.	\$	0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes ☒ No ☐

25.2	If yes, state the amount thereof at December 31 of the current year:	25.21 Subject to repurchase agreements	\$	
		25.22 Subject to reverse repurchase agreements	\$	
		25.23 Subject to dollar repurchase agreements	\$	
		25.24 Subject to reverse dollar repurchase agreements	\$	
		25.25 Placed under option agreements	\$	
		25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	
		25.27 FHLB Capital Stock	\$	
		25.28 On deposit with states	\$	110,408
		25.29 On deposit with other regulatory bodies	\$	
		25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	
		25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	
		25.32 Other	\$	

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes ☐ No ☒

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes ☐ No ☐ N/A ☒  
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes ☐ No ☒

27.2 If yes, state the amount thereof at December 31 of the current year. \$

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes ☒ No ☐

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Key Private Bank	4900 Tiedeman Road, Brooklyn, OH 44144-2302
US Bank	1555 N. Rivercenter Dr. Suite 300 Milwaukee, WI 53212

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes ☐ No ☒

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason



ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Maine Community Health Options

GENERAL INTERROGATORIES

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
Key Private Bank .....	U.....
.....	.....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?..... Yes [ X ] No [ ]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?..... Yes [ X ] No [ ]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
2205 .....	Key Private Bank .....	.....	Office of the Comptroller of the Currency .....	DS.....
.....	.....	.....	.....	.....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? ..... Yes [ ] No [ X ]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
.....	.....	.....	.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	36,493,233	36,256,614	(236,619)
30.2 Preferred stocks .....	0		0
30.3 Totals	36,493,233	36,256,614	(236,619)

30.4 Describe the sources or methods utilized in determining the fair values:  
IDC Fixed Income .....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? ..... Yes [ X ] No [ ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? ..... Yes [ X ] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
.....

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? ..... Yes [ X ] No [ ]

32.2 If no, list exceptions:  
.....

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Maine Community Health Options

GENERAL INTERROGATORIES

33. By self-designating 5\*GI securities, the reporting entity is certifying the following elements of each self-designated 5\*GI security:
- a. Documentation necessary to permit a full credit analysis of the security does not exist.
  - b. Issuer or obligor is current on all contracted interest and principal payments.
  - c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5\*GI securities? ..... Yes [ ] No [ X ]

OTHER

34.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....20,000

34.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
NASHCO .....	20,000
.....	

35.1 Amount of payments for legal expenses, if any? .....\$ .....305,042

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Kozak & Gayer , PA .....	169,722
Crowell Moring .....	134,240
.....	

36.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? .....\$ .....57,283

36.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
Government Strategies .....	52,595
.....	

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force? .....

Yes [   ] No [ X ]

1.2

If yes, indicate premium earned on U.S. business only. ....

\$ \_\_\_\_\_

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? .....

\$ \_\_\_\_\_

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above .....

\$ \_\_\_\_\_

0

1.5

Indicate total incurred claims on all Medicare Supplement Insurance. ....

\$ \_\_\_\_\_

0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned .....

\$ \_\_\_\_\_

0

1.62

Total incurred claims .....

\$ \_\_\_\_\_

0

1.63

Number of covered lives .....

\_\_\_\_\_

0

All years prior to most current three years:

1.64

Total premium earned .....

\$ \_\_\_\_\_

0

1.65

Total incurred claims .....

\$ \_\_\_\_\_

0

1.66

Number of covered lives .....

\_\_\_\_\_

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned .....

\$ \_\_\_\_\_

0

1.72

Total incurred claims .....

\$ \_\_\_\_\_

0

1.73

Number of covered lives .....

\_\_\_\_\_

0

All years prior to most current three years:

1.74

Total premium earned .....

\$ \_\_\_\_\_

0

1.75

Total incurred claims .....

\$ \_\_\_\_\_

0

1.76

Number of covered lives .....

\_\_\_\_\_

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator .....

266,227,778

377,296,166

2.2

Premium Denominator .....

266,227,778

377,296,166

2.3

Premium Ratio (2.1/2.2) .....

1.000

1.000

2.4

Reserve Numerator .....

29,226,654

50,354,371

2.5

Reserve Denominator .....

29,226,654

50,354,371

2.6

Reserve Ratio (2.4/2.5) .....

1.000

1.000

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? .....

Yes [   ] No [ X ]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? .....

Yes [ X ] No [   ]

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? .....

Yes [   ] No [   ]

5.1

Does the reporting entity have stop-loss reinsurance? .....

Yes [ X ] No [   ]

5.2

If no, explain:

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical .....

\$ \_\_\_\_\_

226,000

5.32

Medical Only .....

\$ \_\_\_\_\_

5.33

Medicare Supplement .....

\$ \_\_\_\_\_

5.34

Dental & Vision .....

\$ \_\_\_\_\_

5.35

Other Limited Benefit Plan .....

\$ \_\_\_\_\_

5.36

Other .....

\$ \_\_\_\_\_

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

\_\_\_\_\_

7.1

Does the reporting entity set up its claim liability for provider services on a service date basis? .....

Yes [ X ] No [   ]

7.2

If no, give details

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year .....

23,898

8.2

Number of providers at end of reporting year .....

24,173

9.1

Does the reporting entity have business subject to premium rate guarantees? .....

Yes [   ] No [ X ]

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months..

\$ \_\_\_\_\_

9.22

Business with rate guarantees over 36 months .....

\$ \_\_\_\_\_

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Maine Community Health Options

GENERAL INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? ..... Yes [ X ] No [ ]
- 10.2 If yes:

10.21 Maximum amount payable bonuses.....\$ .....154,615

10.22 Amount actually paid for year bonuses.....\$ .....377,729

10.23 Maximum amount payable withholds.....\$ .....

10.24 Amount actually paid for year withholds.....\$ .....
- 11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, ..... Yes [ ] No [ X ]

11.13 An Individual Practice Association (IPA), or, . Yes [ ] No [ X ]

11.14 A Mixed Model (combination of above)? ..... Yes [ ] No [ X ]
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? ..... Yes [ X ] No [ ]
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus. .... Maine
- 11.4 If yes, show the amount required. ....\$ .....21,959,422
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? ..... Yes [ ] No [ X ]
- 11.6 If the amount is calculated, show the calculation  
200% of Health Risk-Based Capital Authorized Control Level (200% 10,979,711)

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
Maine .....
New Hampshire .....
.....

- 13.1 Do you act as a custodian for health savings accounts? ..... Yes [ ] No [ X ]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date. ....\$ .....
- 13.3 Do you act as an administrator for health savings accounts? ..... Yes [ ] No [ X ]
- 13.4 If yes, please provide the balance of funds administered as of the reporting date. ....\$ .....
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? ..... Yes [ ] No [ ] N/A [ X ]
- 14.2 If the answer to 14.1 is yes, please provide the following:

1  Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
.....	.....	.....	.....	.....	.....	.....

15. Provide the following for individual ordinary life insurance\* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):

15.1 Direct Premium Written .....\$ .....

15.2 Total Incurred Claims .....\$ .....

15.3 Number of Covered Lives .....

*Ordinary Life Insurance Includes
Term(whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary guranteee)
Universal Life (with or without secondary guranteee)
Variable Universal Life (with or without secondary guranteee)

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Maine Community Health Options

FIVE-YEAR HISTORICAL DATA

	1 2017	2 2016	3 2015	4 2014	5 2013
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	72,937,723	101,985,131	167,555,607	77,352,009	18,225,868
2. Total liabilities (Page 3, Line 24) .....	39,202,929	63,367,838	117,771,813	49,974,889	12,328,749
3. Statutory minimum capital and surplus requirement .....	21,959,422	35,433,552	29,041,836	14,736,706	100,000
4. Total capital and surplus (Page 3, Line 33) .....	33,734,794	38,617,293	49,783,794	27,377,122	5,897,119
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	266,227,778	377,805,773	287,049,413	167,415,848	528,962
6. Total medical and hospital expenses (Line 18) .....	227,804,241	375,949,286	299,844,370	126,026,864	0
7. Claims adjustment expenses (Line 20) .....	12,525,535	16,883,743	13,497,447	7,297,951	0
8. Total administrative expenses (Line 21) .....	30,477,588	42,679,506	47,914,916	26,825,131	7,084,474
9. Net underwriting gain (loss) (Line 24) .....	(4,579,586)	(14,634,221)	(74,207,320)	7,265,902	(6,555,512)
10. Net investment gain (loss) (Line 27) .....	309,134	647,774	190,976	70,285	(3,196)
11. Total other income (Lines 28 plus 29) .....	(2,075,389)	0	0	0	0
12. Net income or (loss) (Line 32) .....	(6,345,841)	(13,986,447)	(74,016,344)	7,336,187	(6,558,708)
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11) .....	(8,792,950)	(54,701,137)	(10,043,300)	18,355,525	(4,523,890)
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	33,734,794	38,617,293	49,783,794	27,377,122	5,897,119
15. Authorized control level risk-based capital .....	10,979,711	17,716,776	14,520,918	7,344,940	27,808
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....	37,784	67,539	74,981	39,742	
17. Total members months (Column 6, Line 7) .....	498,750	925,926	824,005	390,357	
<b>Operating Percentage</b> (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) .....	85.6	99.6	104.5	75.3	0.0
20. Cost containment expenses .....	2.7	1.8	1.4	1.3	0.0
21. Other claims adjustment expenses .....	2.0	2.6	3.3	3.1	0.0
22. Total underwriting deductions (Line 23) .....	101.7	104.0	125.9	95.7	0.0
23. Total underwriting gain (loss) (Line 24) .....	(1.7)	(3.9)	(25.9)	4.3	0.0
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5) .....	42,918,948	44,374,373	18,750,116	0	
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)] .....	50,354,371	48,902,932	25,609,819	0	
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....					0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....					
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....					
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....	0	0	0	0	0
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....					
32. Total of above Lines 26 to 31 .....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above.					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [        ] No [        ]

If no, please explain: .....

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Maine Community Health Options

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories										
States, etc.	1	Direct Business Only								
		2	3	4	5	6	7	8	9	
	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts	
1. Alabama .....	AL	N						0		
2. Alaska .....	AK	N						0		
3. Arizona .....	AZ	N						0		
4. Arkansas .....	AR	N						0		
5. California .....	CA	N						0		
6. Colorado .....	CO	N						0		
7. Connecticut .....	CT	N						0		
8. Delaware .....	DE	N						0		
9. District of Columbia .....	DC	N						0		
10. Florida .....	FL	N						0		
11. Georgia .....	GA	N						0		
12. Hawaii .....	HI	N						0		
13. Idaho .....	ID	N						0		
14. Illinois .....	IL	N						0		
15. Indiana .....	IN	N						0		
16. Iowa .....	IA	N						0		
17. Kansas .....	KS	N						0		
18. Kentucky .....	KY	N						0		
19. Louisiana .....	LA	N						0		
20. Maine .....	ME	L	258,511,878					258,511,878		
21. Maryland .....	MD	N						0		
22. Massachusetts .....	MA	N						0		
23. Michigan .....	MI	N						0		
24. Minnesota .....	MN	N						0		
25. Mississippi .....	MS	N						0		
26. Missouri .....	MO	N						0		
27. Montana .....	MT	N						0		
28. Nebraska .....	NE	N						0		
29. Nevada .....	NV	N						0		
30. New Hampshire .....	NH	L	9,454,241					9,454,241		
31. New Jersey .....	NJ	N						0		
32. New Mexico .....	NM	N						0		
33. New York .....	NY	N						0		
34. North Carolina .....	NC	N						0		
35. North Dakota .....	ND	N						0		
36. Ohio .....	OH	N						0		
37. Oklahoma .....	OK	N						0		
38. Oregon .....	OR	N						0		
39. Pennsylvania .....	PA	N						0		
40. Rhode Island .....	RI	N						0		
41. South Carolina .....	SC	N						0		
42. South Dakota .....	SD	N						0		
43. Tennessee .....	TN	N						0		
44. Texas .....	TX	N						0		
45. Utah .....	UT	N						0		
46. Vermont .....	VT	N						0		
47. Virginia .....	VA	N						0		
48. Washington .....	WA	N						0		
49. West Virginia .....	WV	N						0		
50. Wisconsin .....	WI	N						0		
51. Wyoming .....	WY	N						0		
52. American Samoa .....	AS	N						0		
53. Guam .....	GU	N						0		
54. Puerto Rico .....	PR	N						0		
55. U.S. Virgin Islands .....	VI	N						0		
56. Northern Mariana Islands .....	MP	N						0		
57. Canada .....	CAN	N						0		
58. Aggregate other alien .....	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal .....	XXX	267,966,119	0	0	0	0	0	267,966,119	0	0
60. Reporting entity contributions for Employee Benefit Plans .....	XXX							0		
61. Total (Direct Business) .....	(a) 2	267,966,119	0	0	0	0	0	267,966,119	0	0
DETAILS OF WRITE-INS										
58001. ....	XXX									
58002. ....	XXX									
58003. ....	XXX									
58998. Summary of remaining write-ins for Line 58 from overflow page .....	XXX	0	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above) .....	XXX	0	0	0	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

Explanation of basis of allocation by states, premiums by state, etc.

100% Accident & Health Premiums - No allocation

(a) Insert the number of L responses except for Canada and Other Alien.

Premium amounts are allocated based on residence if insured

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**

---

**NONE**

**OVERFLOW PAGE FOR WRITE-INS**



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